

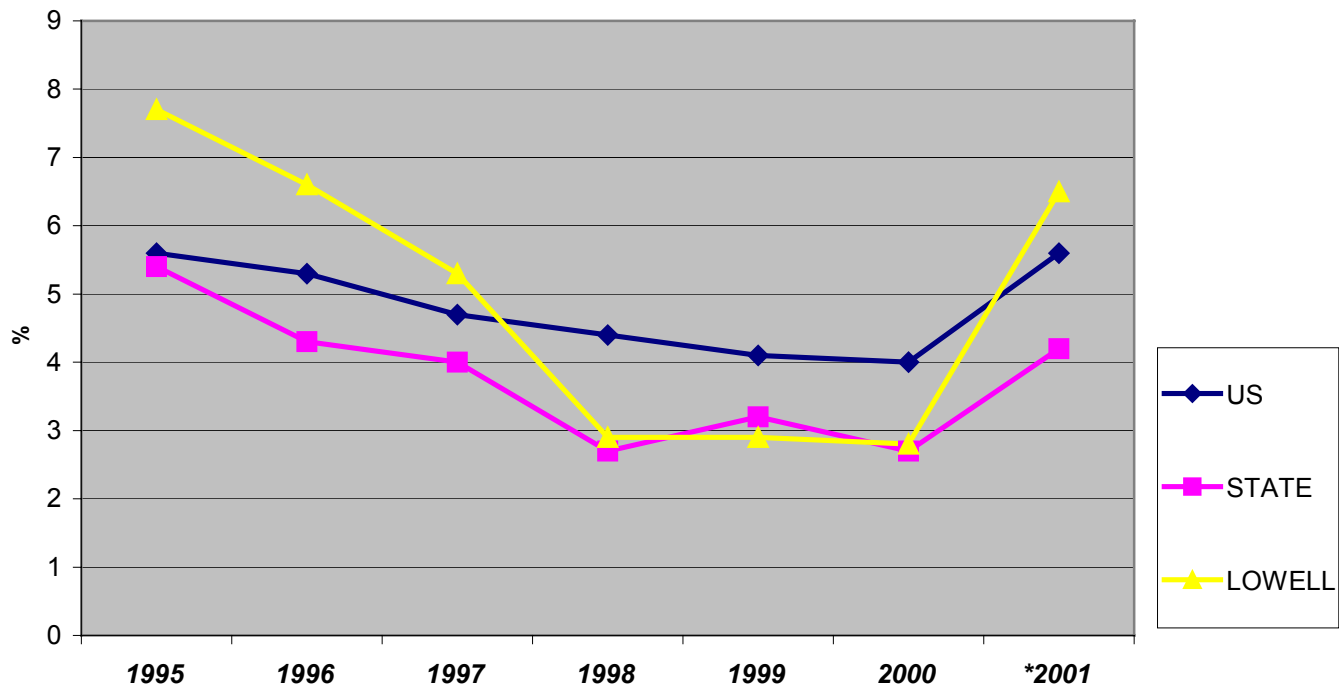
6.0 ECONOMIC DEVELOPMENT/EMPLOYMENT

This chapter looks at the recent trends that influence Lowell's economic growth. Changes such as: employment trends; wages; availability and cost of labor; labor by industries; local commercial tax rate; major employers in the City; commercial vacancy rate, among other factors that drive Lowell's economy.

The Lowell Economy is characterized by a growing and diversifying industrial base. Once solely dependent on the textile industry, the city has expanded its employment opportunities to include electronics, research and development, education, health care, software development, as well as a growing service industry. The area has been hit with job losses as a result of a major downturn of the Internet business and the computer industry.

6.1 LABOR FORCE AND EMPLOYMENT TRENDS IN LOWELL

Fig. 6.1- Unemployment Rate (1995-2001)



According to the Massachusetts Division of Employment and Training, Lowell's unemployment rate has decreased steadily from 6.7% in 1995 to 3.3% in 2000, reflecting the statewide economic trends. Of the larger municipalities, Lowell's unemployment rate in 2000 ranked sixth lowest out of the 13 largest cities in Massachusetts. From the last quarter of 2000 to the present time the unemployment rate has increased at a steadily pace compared with the state and the nationwide trend. Lowell's unemployment rate is currently higher than the Northern Middlesex SDA area and the state.

*not seasonally adjusted

6.2. LABOR FORCE

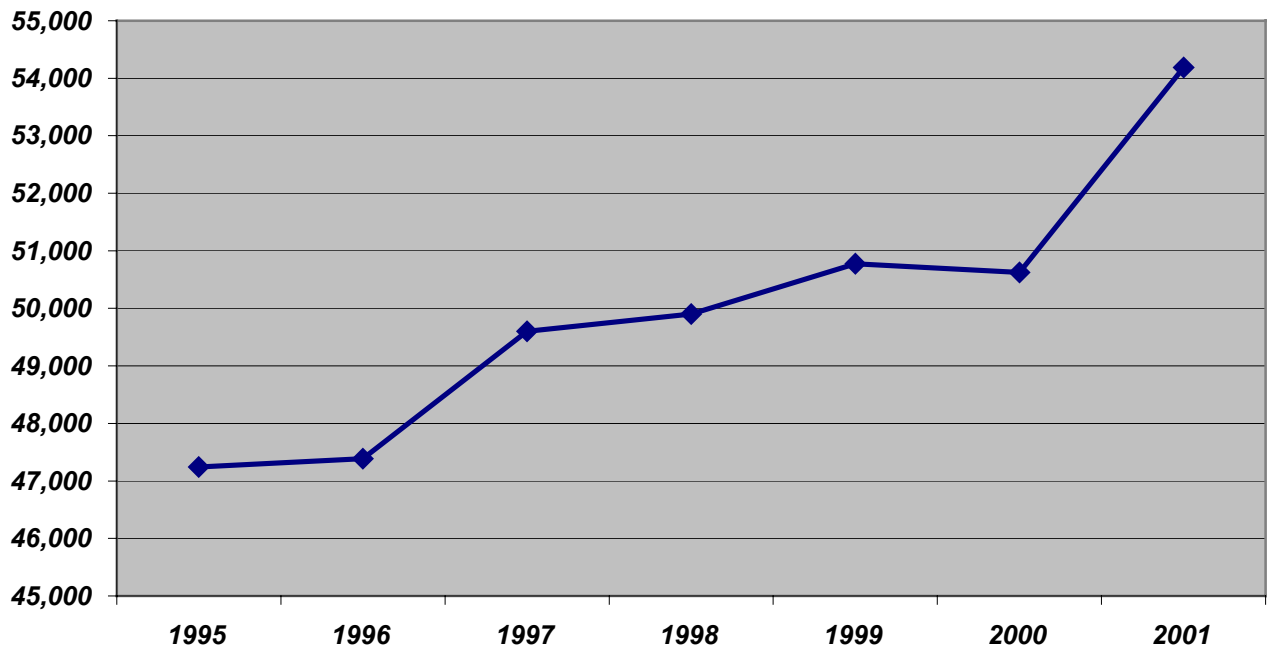
Table 6-1
Lowell Employment Statistics

Year	Laborforce	Employment	Unemployment	Unemployment Rate	Statewide Rate
1990	52,137	47,846	4,291	8.2%	6.0%
1991	50,575	44,343	6,232	12.3%	9.1%
1992	49,386	43,164	6,222	12.6%	8.6%
1993	47,401	42,620	4,781	10.1%	6.9%
1994	45,771	41,956	3,815	8.3%	6.0%
1995	47,245	44,083	3,162	6.7%	5.4%
1996	47,390	45,093	2,297	4.8%	4.3%
1997	49,602	47,068	2,534	5.1%	4.0%
1998	49,904	47,691	2,213	4.4%	3.3%
1999	50,782	48,626	2,156	4.2%	3.2%
2000	51,078	49,403	1,675	3.3%	2.6%

Note: Employment within this data series is measured by place of residence

Source: Commonwealth of Massachusetts, Division of Employment and Training

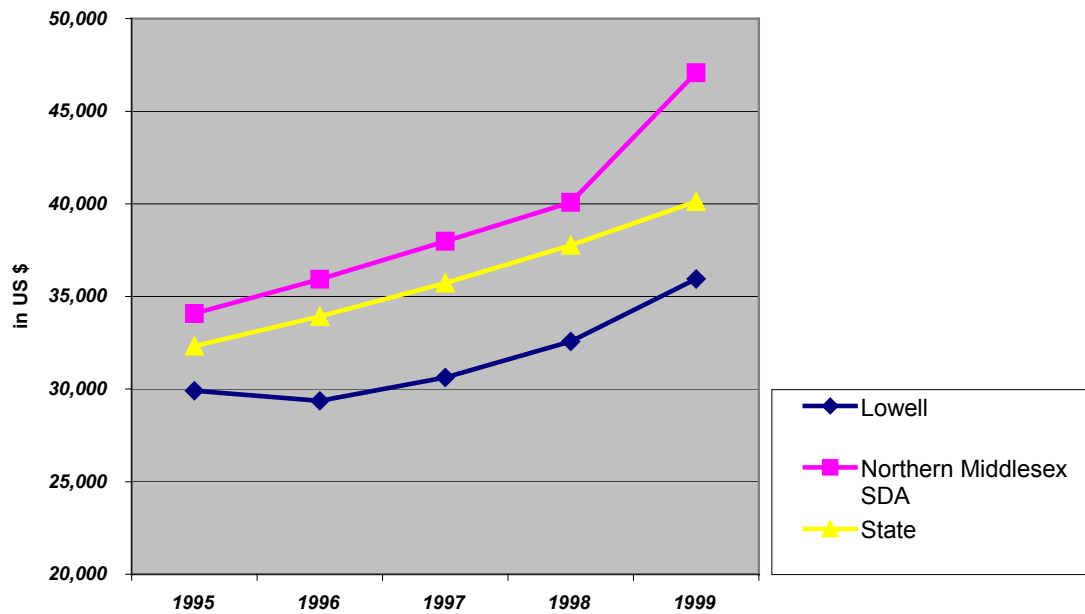
Fig. 6.2- Lowell's Labor Force: 1995-2001



6.3. AVERAGE ANNUAL WAGES

As figure 6.3 shows, wages have been increasing in Lowell following the region and the state's trend. However, the annual wages for Lowell have been lower than the region and the state's average.

Fig. 6.3: Average Annual Wages: 1995-1999



6.4. EMPLOYMENT BY INDUSTRY DIVISION

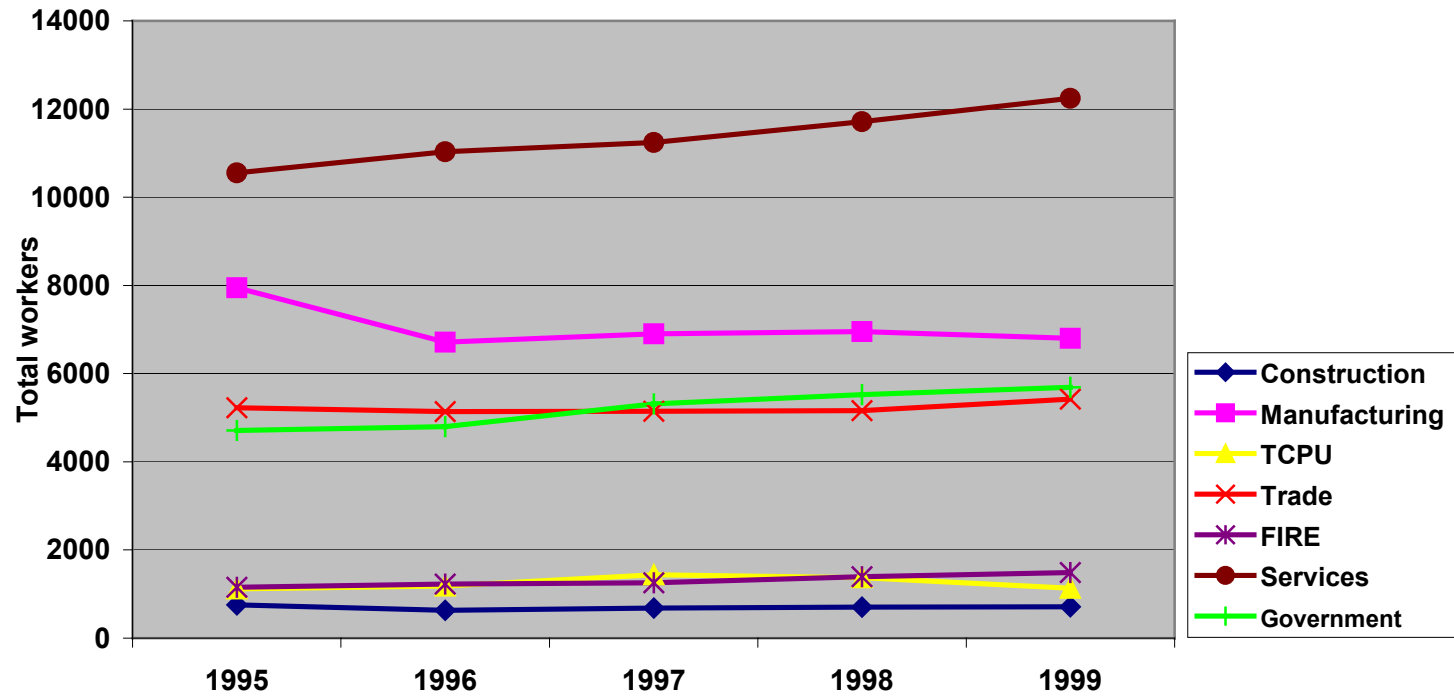
Table 6-2
Employment by industry Division: 1995-2001

	Construction	Manufacturing	TCPU	Trade	FIRE*	Services	Government
1995	754	7,946	1,118	5,222	1,157	10,553	4,712
1996	632	6,711	1,180	5,137	1,223	11,030	4,796
1997	683	6,902	1,440	5,143	1,257	11,239	5,313
1998	705	6,952	1,371	5,161	1,397	11,716	5,524
1999	709	6,804	1,132	5,425	1,491	12,241	5,690

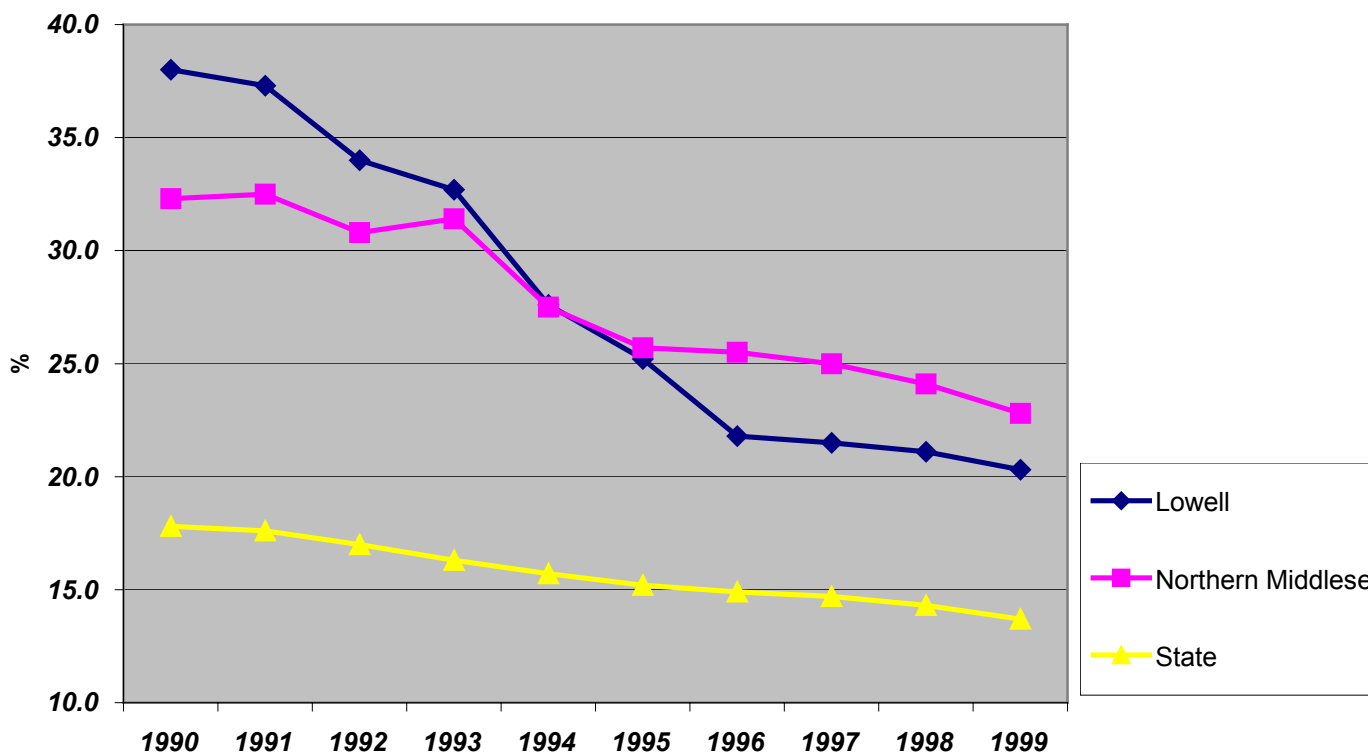
*Finance, Insurance, & Real Estate

Source: Commonwealth of Massachusetts, Division of Employment and Training

Fig. 6.4- Lowell: Employment by Industry Division 1995-1999

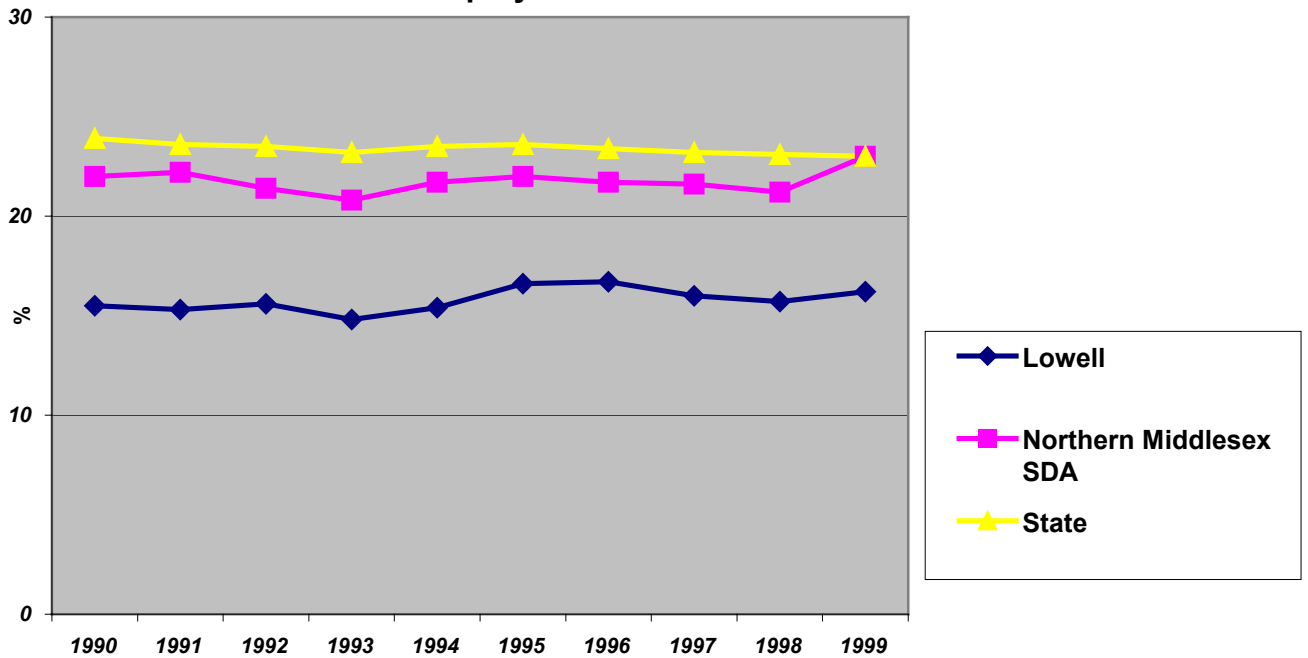


**Fig. 6.5: Manufacturing: Percentage of Total employment
1990 to 1999**



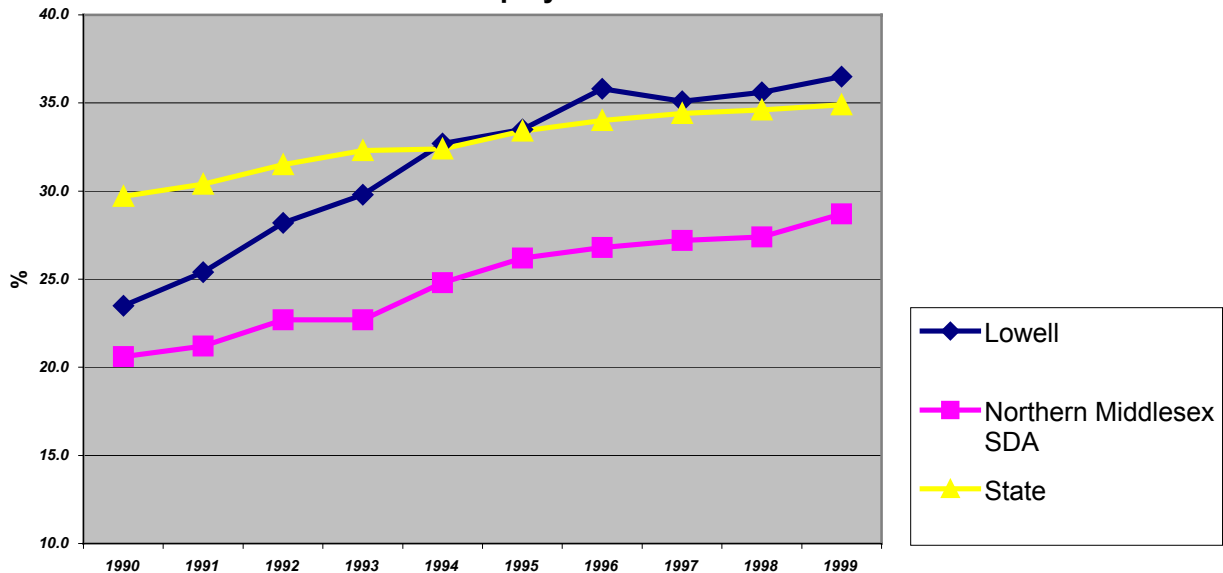
In 1990 the percentage of jobs in Manufacturing was almost 40% of the total employment, surpassing the region and the state's rate. Since then Lowell has been losing a significant amount of jobs in the manufacturing sector.

Fig. 6.6: Jobs in Retail/ Trade- Percentage of Total Employment 1990-1999



Jobs in the retail industry are weaker compared with the region and the state, due to the lack off major malls and retail clusters in the City. In line with statewide trends, growth is services have been strong growing more than 10% in the ten-year period.

Fig. 6.7: Employment in the Service Industry- Percent of Total Employment 1990-1999



6.5 TOP EMPLOYERS IN THE CITY

Lowell has long been an incubator for the region's flourishing high-tech economy. Dozens of companies that started in Lowell—such as Avid Technologies, Mercury Computer, and Fuelspot.com—have become global technology leaders, taking advantage of resources such as Umass Lowell's Commercial Venture Development Center and computer science and engineering research facilities. The beautifully restored Wannalancit and Boott Mills are home to many of tomorrow's technology stars.

The following table sets the largest employers (with at least 100 employees) in Lowell, exclusive of the City itself.

Table 6-3
Leading Lowell Employers

Company Name	Nature of Business	Approximate # of employees
M/A COM, Inc.	Electronics	1,650
Saints Memorial Hospital	Hospital	1,334
Lowell General Hospital	Hospital	1,320
University of Massachusetts Lowell	State University	1,055
Middlesex Community College	Education	950
Verizon	Communications	600
Demoulas Supermarkets	Retail Groceries	500
Community Teamwork Inc.	Human Services	500
Joan Fabrics	Fabrics	463
Lowell Sun Publishing	Daily Newspaper	350
Cisco Systems	Electronics	350
J.P. Morgan	Financial	300
US Filters	Filter Manufacturing	285
Adden Furniture	Furniture Manufacturing	225
Collins & Aikman/Western Avenue Dyers	Fabric Dyers	225
Eltech Electronics	Electronics	180
Bradford Industries Inc.	Fabric Coatings	170
Colonial Gas/Keyspan	Utility	152
Lowell Regional Transit Authority (LRTA)	Transportation	150
DS Graphics	Printing	140
Freudenberg Nonwoven	Textiles	140
Lowell 5 Cent Savings Bank	Banking	140
Enterprise Bank	Banking	135
Interstate Container Company	Corrugated Containers	130
Doubletree Hotel	Hotel	120
Tsongas Arena	Performance Venue	120
Ideal Tape Company	Pressure Sensitive Tape	113
Eastman Kodak	Photographic Products	111
Empire Laundry	Laundry Services	110

MSL Qualitronics	Electronics Manufacturing	100
Cass Information Systems	Bill Paying Services	100
IBM	Computers	100
Met Life	Insurance	100
Convergent Networks	High Tech	100
Crescent Networks	High Tech	100

Source: City of Lowell Economic Development Office

6.6. MAJOR INVESTMENTS & DEVELOPMENT PROJECTS

The City of Lowell has adopted an active economic development strategy to attract new companies to the City to create new job opportunities and expand the commercial/industrial tax base. This new marketing plan includes inviting CEO's of various companies to Lowell to visit potential sites for development, tour historic sites, and see first hand the City's Urban National Park, University, and modernized school system. The City's Chamber of Commerce has resurfaced over the past few years to provide aid to both existing and new businesses.

The strategy includes two City departments and three private organizations in the City. The City Manager's office is the focal point of this effort, in concert with the City's Planning and Development Division, the Lowell Development and Financial Corporation (LDFC) and the Lowell Plan. Planning & Development has four staff members directly responsible for economic development activities which include assisting businesses with borrowing, locating to or relocating within the City, and securing the technical assistance they may need. The DPD has developed the Lowell Site Finder Advisory Service for business seeking to locate or expand in Lowell, providing a computerized database of available commercial and industrial property and access to the commercial real estate agents listing property in the Lowell market. The DPD has also taken a very active role in all major recent City projects, such as the Riverwalk, Paul E. Tsongas Arena, and LeLacheur Stadium.

The LDFC is responsible for the City's UDAG repayments (see below) and provides loans to new businesses to develop or expand in the City of Lowell. In addition, the LDFC purchases and rehabilitates property to create tax expansion and job opportunities.

The Lowell Plan is a private organization with a Board of Directors made up of private sector individuals and the Mayor, City Manager, the Assistant City Manager/Director of DPD. Through the Lowell Plan, private corporations raise funds to market the Community and promote special community development projects such as Bon Marché and the Arena Project. The Lowell Plan also makes contributions to scholarships and educational endeavors by the City. The private sector members consist of leading industrialists, bankers, and representatives of the University of Massachusetts/Lowell and Middlesex Community College.

The City and Lowell Plan have co-produced a brochure/video marketing package which highlights the City's amenities for potential growth and expansion, and has undertaken a three-year, one-million dollar multi-media marketing campaign to further promote Lowell, centered around the theme, "There's a lot to like about Lowell". The City and Lowell Plan also co-sponsored, along with the Greater Boston Real Estate Board, a Realtor's Tour of the larger commercial real estate projects available in Lowell to create awareness of Lowell's advantages as a business address for businesses looking for space working with Boston area brokers. The City is working with commercial realtors to assist in marketing Lowell with the goal of attracting business to Lowell from throughout New England and beyond.

The City allocates \$125,000 annually to support the Convention/Visitors Bureau. The Convention Bureau has a total annual budget of \$300,000. The Bureau promotes the Lowell National Historical Park, Merrimack Repertory Theater, Lowell Memorial Auditorium, Folk Festival, and other special events. In addition to radio and television advertising, the Bureau is advertising in Boston and New York periodicals.

The University of Massachusetts at Lowell is an active partner in the City's economic development strategy. The University is actively providing technical assistance to local start-up companies in need of engineering support. In addition, the University has created incubator space for a number of start up companies including those in the biotechnology field.

Beyond these efforts, substantial sums have been invested in Lowell's economic development. The most significant of these development projects are described herein.

Cross Point- The former site of the Wang Towers continues to be a highly successful office complex under the control of Yale Properties. The buildings remain at capacity, drawing on their attractive placement at Routes 3 and Interstate 495. As of October 2001, there are 32 tenants in Cross Point Towers with space fully occupied. Together these businesses employ approximately 3500 workers.

The 1.3 million square feet of Cross-Point Towers has been converted to multi-tenant space with a minimum of 20,000 SF per tenant. The first tenant of the refurbished towers was NYNEX, which occupied over 95,000 square feet and employed 425 people on site as part of its consolidation. Now such national firms as J.P. Morgan, Kodak, Cisco Systems, IBM, and MetLife call Cross Point home. The City supported this project with an approximate \$3 million tax increment financing agreement. This agreement leveraged \$60 million in private investment. The ratio of private to public funds was 20 to 1. In addition, because the City supports the project it was eligible for investment tax credits at the State level.

With the success of the Cross Point Towers project, the developers purchased 42 acres of land from Wang adjacent to the Towers for the construction of a 14-screen cinema and five-restaurant complex. The Showcase Cinema theatres have opened, as has the Outback Steakhouse. Plans for future restaurants are underway. The possibility of constructing a fourth office tower is also under consideration.

Lowell Enterprise Community- In late December 1994, the City of Lowell was designated an Urban Enterprise Community by the U.S. Department of Housing and Urban Development (HUD) and Health and Human Services (HHS). Lowell is one of only 65 communities in the U.S. to receive the designation and was awarded \$2.9 million in Round I HHS funding to implement the Lowell Opportunity Plan. This designation also provides preference in funding from a wide variety of federal and state agencies for various City organizations and departments. The focus of the Plan is to create job opportunities and improve the skills/employability of residents of the federally designated census tracts that comprise the Enterprise Community.

Lowell Development and Financial Corporation (the "LDFC") The LDFC was created by an Act of the Legislature in 1975 to provide a non-profit public body to provide low interest loans to property owners and commercial tenants in the Central Business District to renovate their facades in a manner consistent with the historic theme of the State and National Parks. Since 1975, the LDFC has financed over 180 projects totaling over \$80 million in development and has several funding programs and loan pools available for commercial and industrial development and

mortgage assistance and equity grants for residential properties. The LDFC currently has assets totaling more than \$20 million, has created with the help of the area banks, a multi-million dollar equity loan pool to assist the community in the development of affordable housing, and has assisted over 100 new first-time home buyers with a down payment assistance loan for home purchased in Lowell.

Economic Development Loan Pools- In 1993 and 1994 the City created 2 loan pools through the federal community development Block Grant Program. One assists smaller companies expanding and locating in Lowell. The pool provides low interest financing for companies that create or retain new jobs for low and moderate-income people. The City has made 4 loans under this program. The city also created a \$10 million loan pool under the HUD Section 108 Loan Guarantee Program. This program provides varied interest rate financing and guarantees for larger development projects that create new permanent jobs for low and moderate-income persons. The City has leveraged over \$90 million in private investment with approximately \$7 million of public funds. This has resulted in private to public ratio of 12 to 1 with nearly 3,000 jobs created and retained in the City.

Downtown Venture Fund- The City in conjunction with the LDFC and several other banking institutions in the City formed the Downtown Venture Fund in 2000. The fund offers low interest loans to business seeking to locate or expand in the downtown area, and offers loans of up to \$200,000 with flexible repayment options that include no payments in the first year. To date the project has been a tremendous success, attracting new restaurant ventures, a day spa, and a perfumery. The fund is also responsible for the creation of 28 jobs in the downtown area.

Acre Revitalization Plan- The City has underway a multi-project revitalization plan of the Acre neighborhood that will include significant housing rehabilitation, new commercial development, job creation, and major public infrastructure improvements. The City through a recent request for proposals searched for an anchor development project to leverage private investment on City owned land in the area. The City was successful in attracting DeMoulas Supermarkets to purchase the land and build a 40,000 square foot supermarket facility on the site. The City agreed to support the project by providing a \$1.1 million tax increment financing agreement. This TIF agreement leveraged approximately \$4 million in private investment and created thirteen full time jobs and sixty-four part time jobs. The ratio in private funds to public funds was 2.6 to 1. Other plan elements include the construction of a new middle school and the enhancement of three neighborhood commercial districts.

The Jackson/Appleton/Middlesex Urban Renewal Plan: On January of 1999, the City Council of Lowell voted to initiate an urban revitalization and development plan for the Jackson/Middlesex/Appleton area of downtown Lowell. Adjacent to the downtown and the busiest commuter rail terminal in Massachusetts, exceptional access to the state highway system via the Lowell Connector this is an area of approximately 50 acres, with nearly 1 million square feet of developable land and buildings with an enormous potential for redevelopment. In November 2000 the plan was approved by the Commonwealth of Massachusetts Department of Housing and Community Development. The plan continues to move forward and pursue funding, and environmental assessments began on several sites during the Fall of 2001.

Silresim Superfund Site/Tanner Street Industrial Corridor: The City received a pair of grants in the fall of 2000 to address the problems of the Silresim Superfund Site on Tanner Street. The EPA, currently on site doing remediation work, provided the City with a grant of \$100,000 to perform planning and reuse scenarios for the Superfund Site, and also provided the City with a grant in aid, which came in the way of Versar, Inc., a company that has provided facilitation and

research on the project. The City hired Stoss Landscape Urbanism to handle the planning aspect of the project, and the Stoss team expects to complete their objectives in early 2002, when a plan will be presented before the City Council. The plan will incorporate not only improvements on the Superfund Site itself, but will also consider improvements in the Tanner Street area as a whole, a key gateway to the City with its proximity to the Lowell Connector.

Lowell Roadway Improvements- The following is a list of over \$950,000 in recently completed roadway improvements in Lowell designed to improve access to downtown areas, improve traffic flow to areas with development projects, and improve infrastructure within the neighborhoods:

- Merrimack Street, Pawtucket Street & Engineering Design of three intersections: \$120,195.63
- Willard Street, Bridge Street Design & Construction: \$41, 515.49
- Wilder, Spencer, Burlington, and Kinsman Streets: \$578,671.66
- Varnum Avenue Sidewalk and Street construction: \$45,756.88
- Reconstruction of 13 Streets (Fifth Ave. Middlesex St. Sidewalk (Pawtucket St – Rourke Bridge), Stackpole, Read, 2nd, 3rd, 4th, 5th, 6th, Bridge, Boisvert, Delard, Warren): \$155,218.34
- Total: \$952,358.00

Lowell Memorial Auditorium- under the Commonwealth's Convention Center Program, Lowell was granted \$4 million for the rehabilitation of its Memorial Auditorium into the City's Convention Center. This renovation project cost approximately \$7.1 million and was completed in 1985. The main auditorium is divided into two sections; seats 3,000 people and is equipped with modern facilities to accommodate trade show, concerts, and sporting events. Liberty Hall, which seats 400, is the home of the Merrimack Regional Theater, a professional theater company. The Auditorium hosts a variety of annual conventions that result in the expenditure of approximately \$8 million per year into the local economy.

Paul E. Tsongas Arena- Lowell was awarded a state grant for \$20 million in 1994 for construction of a 6,200 seat multi-purpose arena, which will also be the home of the UMASS Lowell Division 1 Hockey Team and a new American League Hockey Franchise, the Lowell Lock Monsters, a New York Islanders affiliate. The City and the University committed \$4 million each to the construction of the facility. This facility makes Lowell a destination point for Northern Massachusetts, New Hampshire, and Southern Maine for sports, recreation, concerts and the art. Two new restaurants plus a variety of small retail businesses have opened in the downtown area in anticipation of the new arena, which was completed in January of 1998. The Paul E. Tsongas Arena also serves as a meeting and convention center; trade shows facility, concert hall, etc. and is marketed together with the Lowell Memorial Auditorium.

Lowell Riverwalk- This \$3.5 million walkway runs along the historic "Mile of Mills" on the Merrimack River and connects the University of Massachusetts at Lowell, the minor league baseball facility, and the new 6,200 seat Paul E. Tsongas Arena/Convention Center with the City's Central Business District. An extension of the Riverwalk project is currently under consideration.

Middlesex Community College- This two-year state supported school opened its Lowell campus in 1991 at the Wang Training Center building located at the Lowell Locks area of the Central Business District. The College also has facilities housed in buildings on Middle Street. The College recently purchased, for the price of \$1, the old federal building from the federal

government as a result of this City's participation in the Enterprise Community program at the federal level. This building, to be renovated with state funds during the next few years, will house expanded educational components of the College's lower Campus. MCC has also recently considered a partnership with the City and other interests to construct a performing arts venue.

Bon Marché Building- This landmark building in downtown Lowell was purchased and fully renovated by two local residents. It is now fully occupied with the Lowell School Department with retail uses on the first floor.

Central Business District (CBD) Improvements: Over the past decade the City of Lowell spent \$1.6 million in City and Community Development Block Grant Funds to rehabilitate various parts of the City's historic Central Business District. The aesthetic improvements included street resurfacing, updated crosswalks (ADA compliant), brick sidewalks, tree planting, hanging planters, City Hall landscaping, Victorian gas lights, benches and directional Kiosks. The City has undertaken a \$17 million project in canal, river walkway and roadway improvements and other off-site aesthetic improvements in the CBD that have made vehicular and pedestrian access to the various attractions much easier.

Lowell General Hospital: Completed the construction on a \$12 million cancer center. During its first year, LGH's center operated at capacity, administering about 15,000 radiation treatments and about 1,600 chemotherapy treatments to about 500 total patients. LGH has applied to the state Department of Public Health for a second linear accelerator, the machine used to administer radiation treatments to double the number of daily treatments and expand scheduling options for patients.

Saint Joseph's Hospital: The hospital has been sold to a for profit rehabilitation hospital and was placed on the tax rolls for fiscal 1997. This facility was assessed at \$5 million and the complex now includes office space.

Economic Development Incentive Program/TIF's: Under the Commonwealth's Economic Development Incentive Program, the City of Lowell has designated seven (7) Economic Opportunity Areas (EOA) in which the City can offer tax increment finance agreements. Businesses, which execute such an agreements with the City, are also eligible for investment tax credits from the government. The City has executed agreements with Cross Point, and several of its tenants, as well as Demoulas Supermarket in the Acre, Dutton- Yarn Co., Gateway Corporation, M/ A COM, Connector Park, among others. Recent TIF agreements include MSL Qualitronics and DS Graphics, which combined have created and retained well over 300 jobs in the City.

Sterling Corp: Sterling Corp. of Billerica, a commercial and industrial moving and storage company, purchased on July 15, 1999 the 100,000 square feet former Sonoco Paper Products facility from the Bicknell & Fuller Paper Box Co. This Lowell location is a warehouse and specializes in corporate office moves. The company plans to create 25 new jobs in Lowell.

Artist Live/Work Space: The City completed the development of the J.C. Ayer and Save-Mor Buildings on Middle Street into live-work space for local artisans. The two buildings are being developed into a mix of commercial and live-work uses with units approximately 1500 square feet in size. The two buildings were sold for \$125,000 by the City. Some of the renovation and cleanup work have already been initiated. Development incentives such as Historic Tax Credits and various loans will be available to the developer. The \$4.5 million renovation was completed in 2000.

Boott Cotton Mills- Aside from the one building owned and operated by the National Park Service, the remainder of the complex is privately owned and is in various stages of renovation. The South Mill is completely renovated, with all 95,000 square feet of the building leased. The West Mill is currently under construction, with nearly 15,000 square feet of the building nearing completion, all of which is already leased and will be ready for occupation on January 1, 2002. The remaining 200,000 square feet of space in the West Mill will continue to be developed. There is also the East Mill, which houses 220,000 square feet of available space, which will also be developed, as the market demands it. The complex also includes a 65,000 square foot storehouse, of which half is currently leased.

Lawrence Manufacturing Mills- The Lawrence Manufacturing Mills site encompasses approximately 14 acres and over a half of a million square feet of developable space. The City put the complex up for development through a request for proposal procedure, and awarded the project to Edward A. Fish Associates, which proposed a \$39 million project that would turn the gutted out mill buildings into a retail, residential and educational hub that would help complete the waterfront rebirth that began with the Tsongas Arena, LeLacheur Stadium, and Riverwalk. Plans call for 150 loft style condominium units in addition to facilities for the University of Massachusetts Lowell. The company is in final negotiations with the State as of Fall 2001, and should begin work shortly.

LeLacheur Park- A new 4,700 seat, \$10.4 million baseball stadium has been completed to house the Lowell Spinners, a Single-A Minor League franchise of the Boston Red Sox, and the UMass Lowell baseball team. \$ 8 million came from state sources and \$ 2.4 million from the City. The team is coming off two consecutive years of sold-out seasons.

River Place Towers- Princeton Properties purchased a 449-unit apartment complex next to the Paul E. Tsongas Arena development for executive suites and luxury apartments. The new owners acquired the property for \$16 million and will spend an additional \$3.5 million to rehabilitate the grounds and apartment units.

Wannalancit Mills- the 275,000 SF Wannalancit Office and Technology Center was acquired by Aldrich, Eastman & Waltch I.D. for \$6.5 million. The new owners secured the real estate firm of Whittier Partners, who successfully leased space in the Cross Point Towers, to market the office complex. The complex is now close to 95% leased.

M/A -COM, Inc: In May 1993, M/A- COM, Inc., a specialized electronic manufacturer, opened its Lowell plant in the former Wang manufacturing facility on Pawtucket Boulevard in Lowell. The plant consolidated over 1,200 employees here from other regional facility. In 1998 M/A COM, Inc. expanded its headquarters at the Chelmsford Street location. This expansion represents \$23 million in private investment and 55 new jobs. Currently the company employs over 1600 in two Lowell facilities.

Connector Park: A major renovation has taken place involving 300,000 square feet office/ industrial complex and \$26.5 million in private investment. 150 new jobs are being created and 30 jobs retained. This complex houses the Connector Park LLC/ Joan Fabrics and Omnipoint Communications.

Cherry Webb & Touraine Building: Historic Renovation of a 46,000 square feet commercial building, a \$3.3 million investment. This newly renovated building is the new quarters for the

Greater Lowell Office of Employment and Training and houses the Chantilly Place bridal shop on the first floor.

Gateway Center Corporation (Gateway I & II)

A 75,000 square foot office space, which represents the two first new office buildings, constructed in Downtown Lowell in 32 years. This project represents a total investment of over \$7.5 million and will foster the creation of approximately 61 new jobs in the Central Business District.

Dutton Yarn Company L.P.:

Acquisition of the vacant Prince Spaghetti Factory by this local textile firm resulted in a \$19 million renovation and expansion and the retention of 252 jobs and the creation in the near future of 75 new jobs . The City agreed to support this project by providing a tax increment financing (TIF) for a period of 10 years.

**Table 6-4
Major Investments in the City of Lowell**

Project	Total Funding	Fund Giver
<i>Tsongas Arena</i>	\$29,700,000.00	State City of Lowell Private Funds
<i>Lelacheur Ballpark</i>	\$15,240,000.00	State Federal (FHA) City of Lowell
<i>Acre Urban Renewal Plan</i>	\$70,451,076.00	State Federal (DI) City of Lowell Private
<i>Lawrence Mills Project</i>	\$2,500,000.00	State
	No estimate available for private	Private
<i>Lowell Riverwalk</i>	\$5,740,000.00	Federal (FHA)
<i>Jackson/ Appleton/ Middlesex Urban Renewal Plan</i>	\$20,000.00	State City of Lowell
<i>Misc. North Canal Improvements</i>	\$20,300,000.00	State of Massachusetts City of Lowell
<i>CBD improvements</i>	\$1,600,000.00	Federal
<i>Wannalancit Mills</i>	\$ 19,000,000.00	Private State
<i>Merrimack Plaza/ Riverplace Towers</i>	\$19,700,000.00	Private State
<i>Arcand Drive Extension</i>	\$1,780,532.00	State Federal (EDIP supported) City of Lowell
<i>Business Investments in the City of Lowell:</i>		
Bay State Chowda- Rehab	\$2,900,000.00	Private (City-owned property)
Gateway I- Construction	\$4,000,000.00	Private (EDIP Supported)
Gateway II- Construction	\$3,700,000.00	Private (EDIP Supported)
Cherry & Webb Building- Rehab	\$5,000,000.00	Private (EDIP Supported)
Dutton Yarn- Rehab	\$19,000,000.00	Private (EDIP Supported)
Market Basket – Construction	\$2,900,000.00	Private (EDIP Supported)

Cross Point Towers- Rehab	\$17,000,000.00	Private (EDIP Supported)
Bon Marche Building- Rehab	\$6,300,000.00	Private & Section 108
Connector Park- Rehab	\$25,500,000.00	Private (EDIP Supported)
Ayer Lofts- Rehab	\$5,000,000.00	Private (City-owned property)
M/A COM	\$75,000,000.00	Private (EDIP Supported)

<i>Brownfields Investments</i>	\$1,181,600.00	Federal (EPA)
<i>Massachusetts Mills</i>	\$58,500,000.00	Private MHFA

<i>City-wide Infrastructure Improvements</i>	\$15,068,069.00	State
<i>Cawley Stadium</i>	\$2,300,000.00	City of Lowell
<i>UMass Lowell north and South Campus renovations</i>	\$25,000,000.00	State

**TOTAL INVESTMENT IN
LOWELL \$532,161,277.00**

6.7 SUPPLY OF OFFICE AND RETAIL SPACE IN DOWNTOWN LOWELL

6.7.1 OFFICE SPACE

Tenants of office space provide a major source of Downtown activity, especially during weekdays. To better understand this large segment of the Downtown Lowell economy, in August 2000, the Downtown Master Plan Team conducted an inventory of businesses in the Downtown Core on a building-by-building basis.

Office space in Downtown Lowell is found in two major types of settings: renovated mill space in large, professionally managed office complexes and on the upper stories of renovated commercial buildings in the Downtown Core.

Renovated Mill Complexes

Approximately 650,000 square feet of office space can be found at the Boott Mills, at various stages of development. Currently 200,000 square feet is fully renovated and completely leased, while another 200,000 is undergoing renovation and will be ready by the end of 2001. Another 250,000 square feet available in the final phase of the project, but it is currently unimproved and vacant. Space in the Boott Mills is occupied by a wide variety of office users, from environmental service firms, to lawyers and a number of high technology companies.

Although out of the Downtown Plan area, the Wannalancit Mills represents a similar office complex and has a major impact upon the Downtown Lowell economy. The site is occupied by a number of uses similar to the Boott Mills. UMass Lowell also occupies a significant portion of the complex.

Downtown Core Upper-story Space

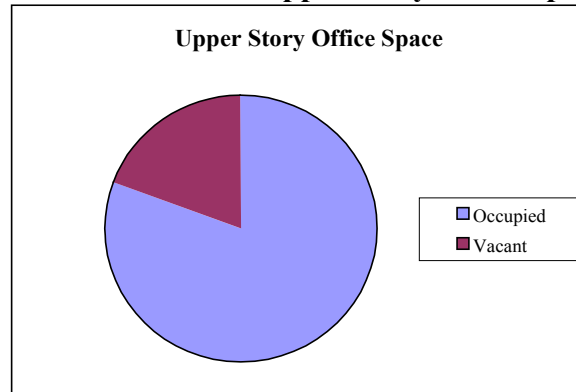
Over 813,933 square feet of upper-story office space is in the Downtown Core. This space is characterized by high vacancy rates and varying levels of quality and renovation. Almost 25% of the office space, or 238,233 square feet, is vacant; with one individual owning over 100,000 square feet of this space: Louis Saab. A wide variety of different individuals own the remainder of this space.

New office construction and modern offices in the Downtown is limited by the lack of vacant and developable land in the Downtown. Since 1964, only three new general-purpose office buildings have been built in the Downtown Planning area: the 21 George Street Building, Gateway I, and Gateway II.

6.7.2. RETAIL INVENTORY

During August 2000, the Division of Planning and Development (DPD) conducted an inventory of businesses in the Downtown Core on a store-by-store and building-by-building basis. The inventory covers approximately 533,663 square feet of ground-level storefront space in the Downtown Core, and 145 storefronts in the Downtown Core. This inventory includes the name and address of each business, the business type and the estimated square footage of street level spaces.

Figure 3.3
Downtown Lowell Upper Story Office Space



- **The retail vacancy rate is lower than similar downtown areas**

The percentage of vacant retail space is relatively low in the Downtown Retail Office Core. Only 7.8% of the first floor storefront space in the Downtown Core is vacant. From a different perspective, there are 145 retail storefronts in the district, of which 10 storefronts (6.9%) were vacant. For an older central business district that is not located on a major highway, these statistics show that Downtown Lowell is doing relatively well in terms of filling these storefront spaces.

- **Key storefront locations are underutilized**

While Downtown Lowell has been successful in filling first floor storefront spaces, the high highest and best use of these storefronts is often not attained. Most successful downtowns have a high proportion of retail and service retail uses in first floor storefront space. While there are exceptions to this rule, the presence of retail use in first floor storefronts creates foot traffic in the Downtown and generates street-level activity. Other uses, such as institutional or office, often create “dead zones.”

For the purposes of the inventory, first floor storefronts in the Downtown Core were categorized as “underutilized” if they did not contain a retail or service retail use. According to this criterion, the underutilization of storefronts in Downtown is extremely high, running at over 60%. As discussed in the Existing Conditions section of this document, institutional uses, in combination with selective 1st floor vacancies, occupy 12.8% of the 1st floor space in the Downtown Core. Other office uses, including lawyer and doctor offices, generate the vast majority of additional underutilized storefront space in the Downtown Core. Other office uses, including lawyer and

doctor offices, generate the vast majority of additional underutilized storefront space in the Downtown.

While underutilized storefronts are not as problematic as a vacant storefront, the underutilization of storefronts creates a new set of problems for the Downtown. First, office and institutional uses in storefronts limit the amount of potential street-level activity and pedestrian traffic in the Downtown. Outside of lunchtime, these uses can create unusually quiet shopping hours in the Downtown. Also, retail establishments may have few possibilities for location if storefronts are occupied by a large number of office or institutional uses.

- **Downtown Activity Anchors**

An anchor can be defined as a use that generates a high number of visits to the area. In the context of a suburban shopping mall, anchors are traditionally defined as large retail stores (especially department stores). Large department stores have left urban locations for the more spacious areas in the suburbs. With them left many smaller national chain retailers. As a result, downtown locations like Lowell have been left to fend for themselves.

As downtown locations has continued to shift away from reliance on larger department stores to draw in customers, areas have needed to identify new methods for bringing in customers a number of smaller, independently-owned shops, boutiques and restaurants have opened. In addition, Downtown

The Lowell retail market is now anchored upon many non-traditional traffic generators in the Downtown. Without a major retail establishment in the Downtown, Lowell's retail market is tied to the presence of major Downtown institutions. Major institutional uses, such as Lowell City Hall, Lowell High School and Middlesex Community College, and major attractions, such as Lowell National Historic Park, Tsongas Arena and LeLacheur Park, currently serve as major generators of foot traffic in the Downtown.

- **Business Clusters**

Business clusters are defined as a group of businesses that serve the same or related markets. Amongst smaller businesses, businesses' grouping together is extremely positive since these groupings generate several stops for shopping within an area of the Downtown. The cluster effect gives shoppers variety within a shopping area and generates healthy levels of competition amongst businesses.

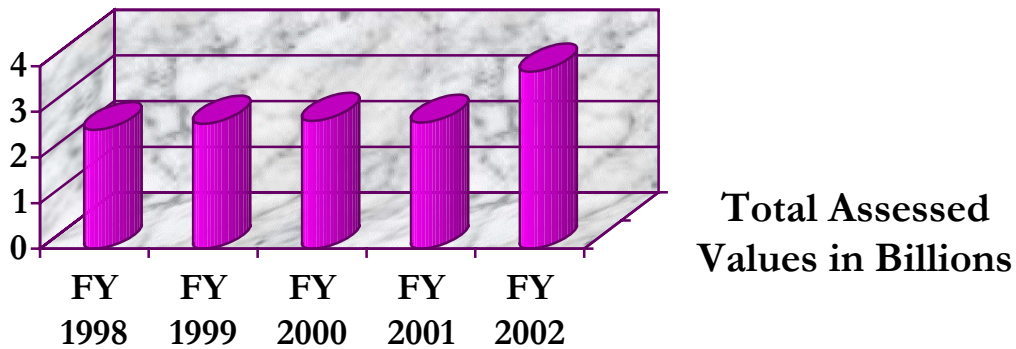
- **Three major business clusters can be identified in Downtown Lowell**

The most identifiable cluster within the Downtown is the Southeast Asian cluster located on Merrimack Street across from City Hall. Approximately fourteen Southeast Asian businesses are located in this portion of Merrimack Street. These businesses span from traditional restaurants to grocery stores to video rental facilities. Not only do these businesses attract individuals from the Downtown, they also attract shoppers from the Acre and Lower Highlands neighborhoods of the City.

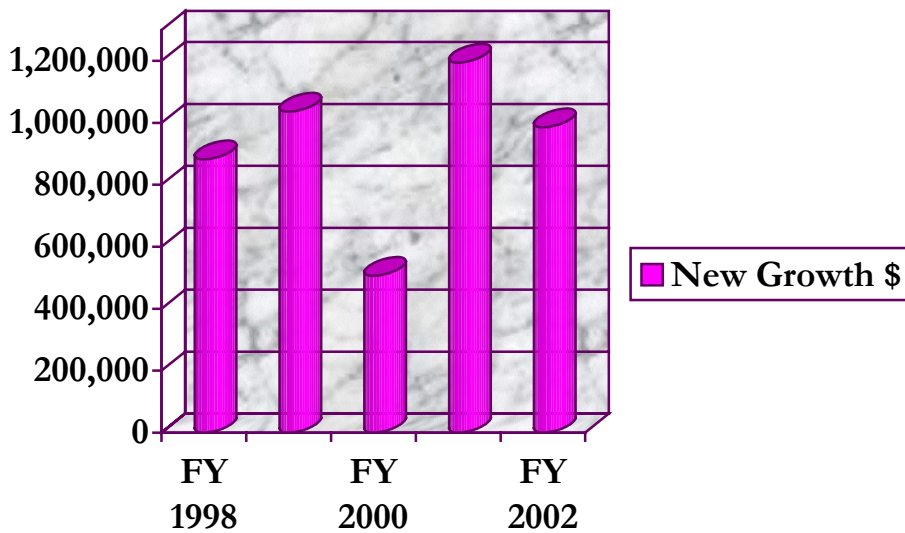
Other notable clusters in the Downtown include the proliferation of pawnshops, dollar stores and low cost or used merchandise establishments located near the intersection of Bridge and Merrimack Streets. Another easily identifiable business cluster is located at the intersection of Merrimack and Palmer Streets, where many of the higher price retail establishments and quality restaurants have begun to collocate.

6.8 MUNICIPAL PROPERTY ASSESSMENTS AND TAXES

Massachusetts requires all communities to revalue real and personal property, at least, every three years. Fiscal Year 2002 was the City of Lowell's adjustment year. The Board of Assessors hired a professional appraisal firm to assist in the revaluation process. The FY 2002 revaluation was finalized in November of 2001. The assessment date for this latest revaluation was January 1, 2001, utilizing arms length calendar year 2000 real estate sales. Due to the boom in the local real estate market over the past three years, the FY 2002 revaluation resulted in a \$1.1 billion increase in total valuation over FY 2001. These increases were from every class of property.



FY 2002 NEW GROWTH: Part of the \$1.1 billion increase was the new growth figure of \$985,252. In addition to many residential and commercial building renovations, there were over 200 new singlefamily homes constructed over the last fiscal year.

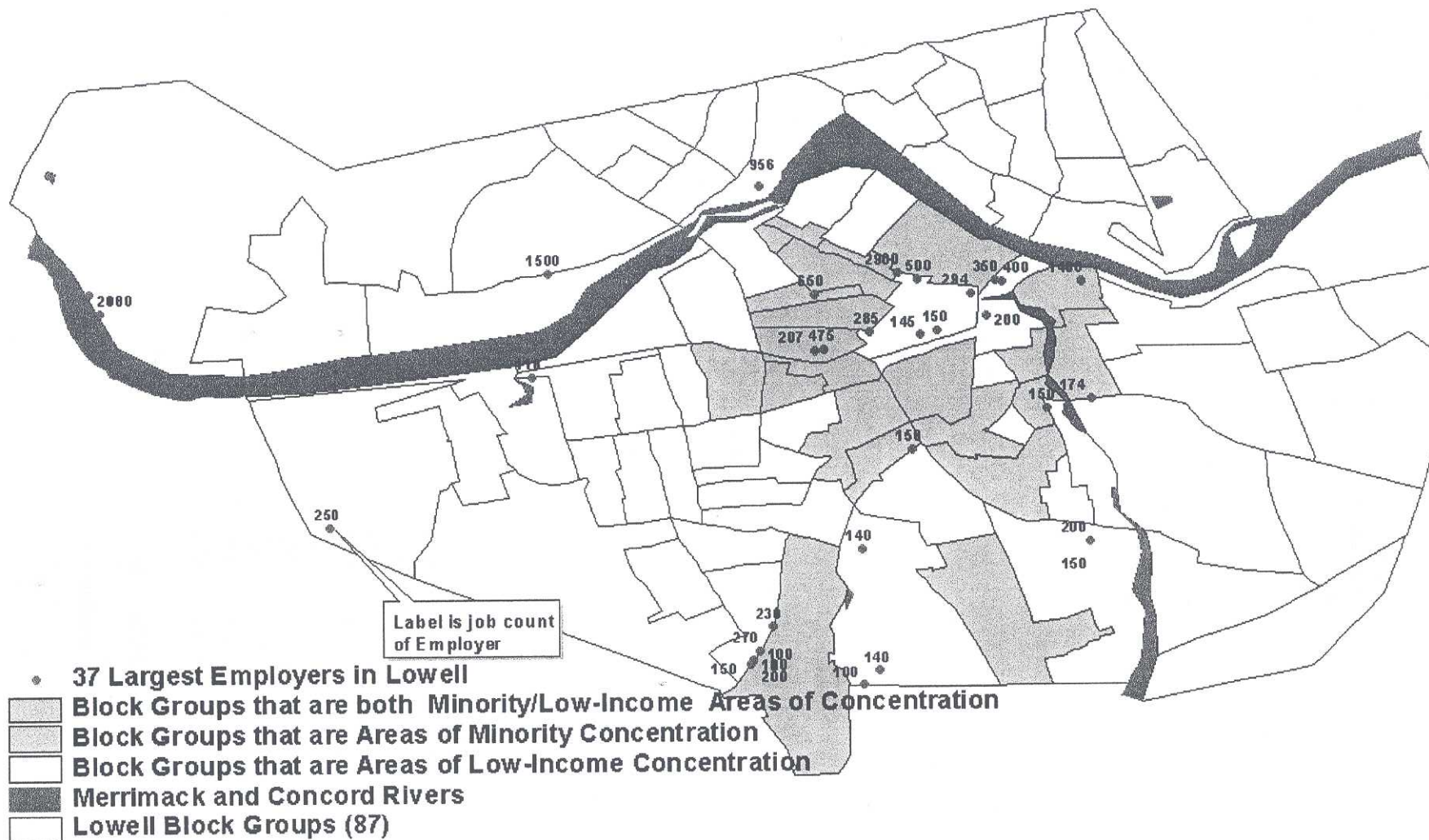


Lowell's commercial tax rate has been one of the highest in the state of Massachusetts. In this current fiscal year of 2002 the commercial tax rate has been reduced from 36.42 to 28.42 Table 6.5 shows the current residential and commercial tax in Lowell and selected cities and towns in MA.

Table 6-5
Residential / Commercial Tax Rates in MA (2002)

Community	<i>FY</i>	Residential	Commercial	Industrial
Billerica	2002	12.43	26.67	26.67
Boston	2002	11.03	30.05	30.05
Cambridge	2002	9.21	23.39	23.39
Chelsea	2002	14.51	33.15	33.15
Everett	2002	10.24	27.55	27.55
Fall River	2002	9.84	22.54	22.54
Fitchburg	2002	17.56	23.70	23.70
Haverhill	2002	13.58	22.46	22.46
Holyoke	2002	16.73	37.12	37.12
Lawrence	2002	15.54	35.10	35.10
Leominster	2002	14.08	14.08	14.08
Lowell	2002	13.67	28.42	28.42
Worcester	2002	17.05	31.46	31.46

Source: City of Lowell Economic Development Office



NOTE: Sixty Percent (60%) of the total jobs provided by Lowell's Largest employers are located in block groups that are either Areas Of Minority or Low-Income Concentration or both



Locations of Large Employers LOWELL COMPREHENSIVE PLAN January 2002 Existing Conditions

